

**MINUTES OF THE
EXECUTIVE OFFICES & CRIMINAL JUSTICE
JOINT APPROPRIATIONS SUBCOMMITTEE
ROOM 405 STATE CAPITOL BUILDING**

January 19, 2001

Members Present: Sen. D. Chris Butters , Co-Chair
Rep. A. Lamont Tyler, Co-Chair
Sen. Pete Suazo
Rep. Gary F. Cox
Rep. Scott Daniels
Rep. Paul Ray
Rep. Mike Thompson.

Members Absent: Rep. Ron Bigelow
Sen. Peter C. Knudsen

Staff Present: Bill Dinehart, Fiscal Analyst
Dr. Andrea Wilko, Fiscal Analyst
Cherri White, Committee Secretary

Visitors List: List filed with Committee Minutes

Co-Chair Representative Tyler began the meeting at 2:08 P.M. While a full quorum was not present no business was conducted, and during this time Fiscal Analyst Bill Dinehart asked the committee to inform him if there were questions that the committee would like to have addressed by the departments. Mr Dinehart also asked that these questions be given to him in advance so the person who could best address them might be present during that departments budget presentation. He also reminded the committee that a site visit was tentatively scheduled for Friday, January 26, 2001. If this was to take place a decision needed to be made so that arrangements could be taken care of prior to the site visit. The final piece of information was regarding the Utah Tomorrow Strategic Planning that was to be addressed by both houses of the legislature. At this point a full quorum had arrived.

MOTION: Representative Cox moved to approve the minutes of January 17, 2001. The motion passed unanimously with Senator Knudsen and Representative Bigelow absent for the vote.

State Auditor Budget

Fiscal Analyst, Dr. Andrea Wilko, gave a presentation on the State Auditors' budget (tab 10). It was indicated that there were no building blocks included in this years budget as prepared by the Analyst, nor were any requested by the department.

Auston Johnson, the State Auditor gave the agency's requests. The agency and the Analyst both agree on the recommended amount, however, due to a change in accounting standards a request for additional funding next year would probably occur. Mr. Johnson indicated that the change in accounting standards would require a new reporting model. This would probably require a building block request next year to implement the change as required by the governmental accounting standards board. They have asked for volunteers from the county level, a school district and a small entity to be test subjects to see how the implementation and reporting would work. At this point they have the volunteers from the county level, and school district, and are still looking for a small entity.

Mr. Johnson also indicated a need for increases in compensation for employees in the Auditor's Office. Currently they are experiencing a turnover rate of 17-22% per year. Many of these people are leaving for employment in better paying positions. Recruitment for these positions is not always easy as the pool of applicants has shrunk over the last several years from over 100 to around 36 each time a position become open. A better compensation package would address some of the problems they are experiencing with recruitment.

The committee was reminded that the compensation part of the budgets would be addressed at a later time toward the end of the session by the Executive Appropriations Committee.

State Treasurer Budget

Fiscal Analyst, Dr. Andrea Wilko presented the Analyst's recommendations for the State Treasurers' Budget (tab 11). Dr. Wilko indicated that with the State Treasurer there were no building blocks indicated for their budget. However, due to Initiative B as passed by the electorate during the election in November 2000, that some money would need to be appropriated for the Treasurer to implement the change. See page 4 under tab 11 for complete information regarding the initiative and possible requests. Dr. Wilko also indicated that the Treasurer's Office is responsible for Treasury and Investments, Unclaimed Property, Money Management Council and Financial Assistance.

Ed Alter, Utah State Treasurer, concurred with the Analyst's report and recommendations. Mr. Alter indicated that within the Treasurer's Office the requirements within the Treasury and Investments division are to receipt all monies collected by state agencies, and to invest those monies. He further indicated that more than 1.5 million check are processed by their office each year.

Mr. Alter indicated that within the unclaimed property division they are required to process property that has inadvertently found its way into the hands of a holding company or group, like a bank for example. This entity would try to find the rightful owner of the property, but after a period of time as set by statute if the property is still unclaimed then it reverts to the Treasurer's Office where they continue to try and locate the rightful owner. They are able to find 35-40% of the owners of unclaimed property. The remaining 60% eventually finds its way to the Uniform School Fund (USF). Last year over \$8.4 million was donated to the USF.

The final issue covered by Mr. Alter was Initiative B and the impact to the Treasurer's Office. This initiative requires that the State Treasurer be the agency to store and maintain property that has been forfeited by persons involved in either civil or criminal legal proceedings. The problem develops in the necessity of having a new division created and the costs associated with the storage, maintenance and disposition of these properties. Early estimates indicated a need of \$500,000 for the first year and more that \$1,000,000 thereafter to implement and oversee the program. After discussions with the State Office of Administrative Services it was learned that this is a type of program that they are already involved with. Estimates now indicate the possibility of contracting with this agency and the costs would lower to around \$100,000 for the first year and \$200,000 for the second year.

Dr. Wilko indicated to the committee that when voting on the individual departments budgets occurs a building block should be added as a separate motion. Then the committee can prioritize the building blocks as a later date.

The committee returned to the site visit issue for Friday January 26.

MOTION: Senator Suazo moved that the committee visit on Friday, January 26, OxBow jail facility, and a private juvenile detention facility. The motion passed unanimously with Senator Knudsen and Representative Bigelow absent for the vote.

MOTION: Senator Suazo move to adjourn. The motion passed unanimously and the meeting adjourned at 3:04 P.M.

Senator D. Chris Butters, Co- Chair

Representative A. Lamont Tyler, Co-Chair